

Board of Trustees

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



Date: December 9, 2024

To: Board of Trustees

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

Agenda Item 16: Monthly Investment Report for October 2024

	1-month	YTD	2023	2022	2021	2020	2019
Total Fund (%) (Gross)	(0.90)	6.8	8.9	(8.0)	15.2	8.9	16.3
Policy Index (%)	(1.40)	7.9	10.2	(9.7)	12.8	10	16.4

	YTD	2023	2022	2021	2020	2019
Market Value (millions)	\$1,788	\$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 September. It's important to note that the report does not include any activity or data from November.

In October, the S&P 500 fell -0.9%, with early in-the-month gains erased by a sharp -1.9% drop on the last day, driven by negative market reactions to Meta and Microsoft's high AI expenditures. Implied volatility (VIX), a measure of expected market fluctuations, spiked to its highest level since August, reflecting rising uncertainty. Fixed-income markets struggled as yields climbed, driven by shifting rate cut expectations and strong

economic data, with cash (+0.4%) as the only major gainer. Internationally, the European Central Bank cut rates to 3.25% amid easing inflation, the Bank of Japan held steady at 0.25%, and China introduced stimulus measures that investors greeted with skepticism.

Diversification and active management throughout the portfolio helped mitigate losses, with many managers achieving neutral returns instead of negative performance.

Capital Markets:

- **Investment Market** - Despite the large selloff of U.S. large-cap equities on the last day of the month, domestic equities outperformed the international market for October. U.S. election uncertainty and hotter than expected inflation caused bond values to fall.
 - US stocks S&P 500 (0.9%)
 - International stocks MSCI ACWI ex-US (4.9%)
 - Bonds Bloomberg US Aggregate Bonds (2.5%)

The Economy:

- **Inflation**
 - CPI increased 0.2%, the same increase as the past three (3) months. Over the last 12 months, the all items index increased 2.6% before seasonal adjustment.
- **New Jobs, Unemployment**
 - **New Jobs** – Total non-farm employment was unchanged in October but missed expectations due to manufacturing strikes and extreme weather events.
 - **Unemployment Rate – 4.1%** - unchanged from September– approximately 7 million people who are not employed but could be.
 - **Labor Force Participation – 62.6%** - slight decrease from September – the economy’s active workforce. Number of people ages 16 and older who are employed or actively seeking employment, divided by the total working-age population.
- **Monetary Policy**
 - While the Fed did not meet in October, investors are anticipating a potential rate cut after the November meeting but have grown skeptical about another in December. Stronger-than-expected economic growth and persistent inflation have shifted rate expectations, directly influencing market dynamics

Attachments:

Attachment A – October 31, 2024 Capital Markets Update

Attachment B – October 31, 2024 Investment Performance Review

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

**PERSPECTIVES
THAT DRIVE
ENTERPRISE
SUCCESS**

OCTOBER 2024
Capital Markets Update

Market commentary

U.S. ECONOMICS

- Headline CPI rose +0.2% in September, bringing year-over-year inflation lower to 2.4%, closer to the Fed's 2% target. Core CPI increased to 3.3% year-over-year, exceeding estimates of 3.2%. Higher-than-expected inflation data likely contributed to the market bracing for a slower path of interest rate cuts.
- October nonfarm payrolls significantly missed expectations, coming in at 12,000, which was 88,000 below expectations of 100,000 new additions. The BLS outlined two contributing factors to the sharp decline: the impact of the Boeing strike on transportation equipment manufacturing, and hurricanes Helene and Milton shortening the collection period for the survey.
- The ISM Services Survey rose +1.1% to 56, the highest reading since 2022, while the ISM Manufacturing Survey fell -0.7% to 46.5.

U.S. EQUITIES

- The S&P 500 reversed course from the prior month, falling -0.9%. Equities posted slow but steady gains in the first few days of the month as weakening employment data and strong earnings from big banks appeared to add to investor excitement around a *soft landing*. However, on the last day of the month the index fell -1.9% and pushed returns into the red.
- The Magnificent 7 continued to move markets throughout October. On the final day of the month, Meta and Microsoft reported capital expenditures above analyst expectations, largely driven by spending on artificial intelligence. These high expenditures, along with low returns (so far) from AI investments, were received poorly by markets.
- Implied volatility (VIX) spiked from 19 to 23 on October 31st – marking the highest end of day implied volatility level since August 8th.

U.S. FIXED INCOME

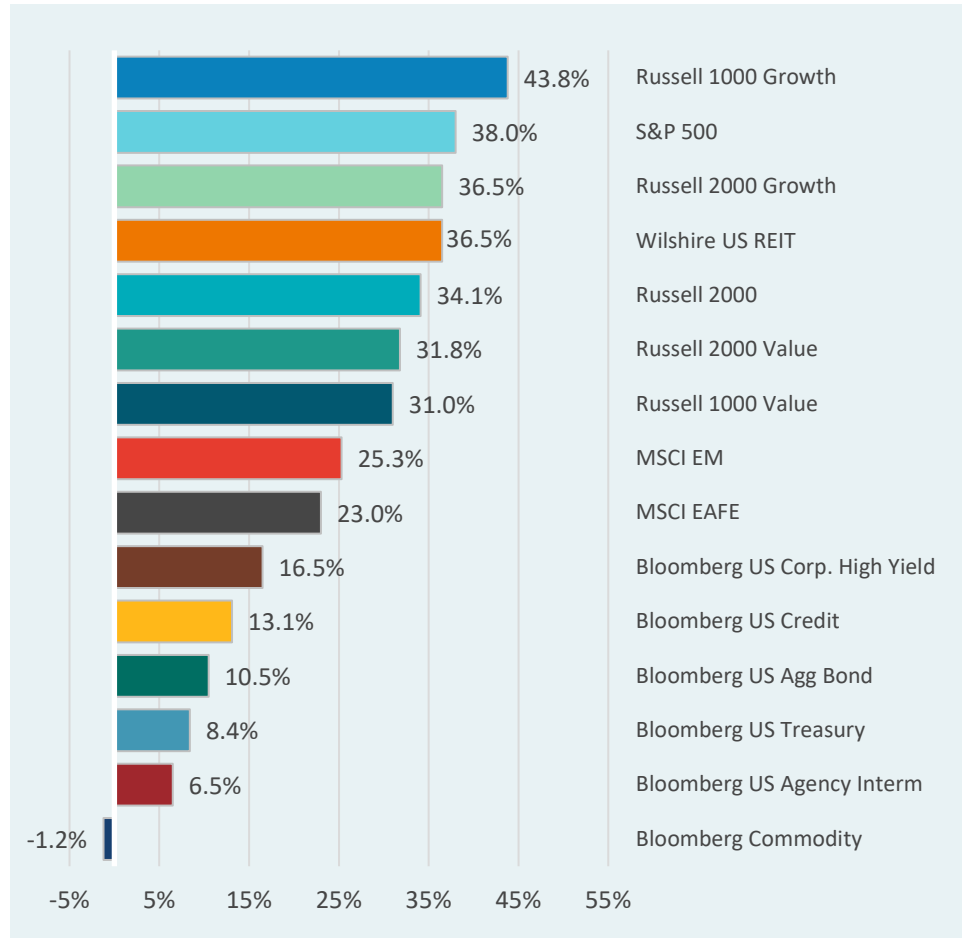
- Market expectations for rate cuts changed materially during the month. In early October, investors were assuming two Federal Reserve rate cuts by the end of 2024—one in November and another in December. However, by the end of the month investors remained confident in a November rate cut but expected rates to remain steady in December. Shifting rate expectations appear to have been fueled by stronger-than-expected U.S. economic growth trends, stickier inflation, and shifting odds around the U.S. election outcome.
- Yields increased as interest rate expectations shifted. Yields for 10- and 2-year treasuries ended the month +47 bps and +50 bps higher, respectively. Yield curve shape remained upward sloping.
- Fixed income indexes fell as yields rose. Longer-dated treasuries, considered to be more sensitive to yield changes, performed the worst. The only major fixed income asset class to gain ground in October was cash (Bloomberg U.S. Treasury Bills Index), which returned +0.4%.

INTERNATIONAL MARKETS

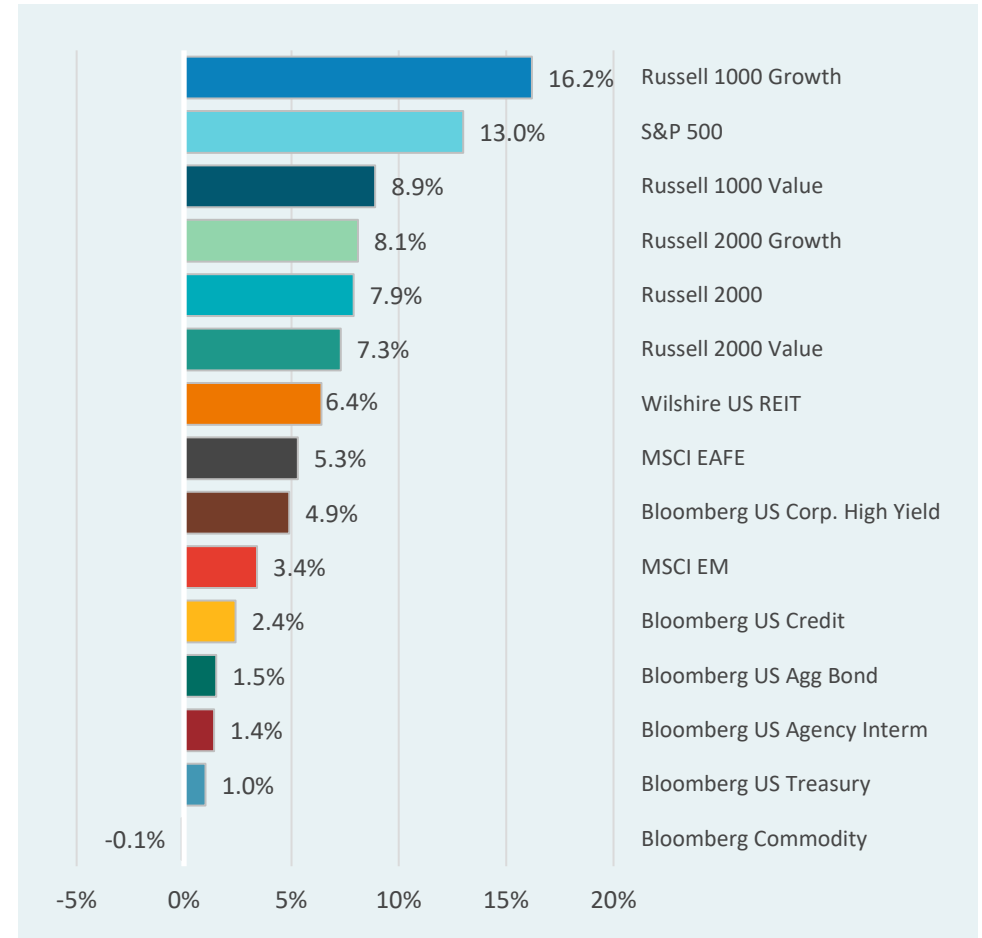
- The European Central bank cut rates by -25 bps to 3.25%. This cut happened amid the drop in Eurozone inflation to 1.7%. ECB policymakers predict that inflation will pick up during the fourth quarter before neutralizing to 2.0% next year.
- The Bank of Japan held its benchmark interest rate unchanged at 0.25%. Governor Kazuo Ueda stated that the political situation in Japan would not prevent him from hiking rates if economic and price growth remained in line with forecasts.
- China's Ministry of Finance announced a series of government stimulus packages aimed at alleviating the country's disinflationary trends. Despite an initial jump in sentiment, investors appear skeptical.

Major asset class returns

ONE YEAR ENDING OCTOBER



TEN YEARS ENDING OCTOBER



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

Source: Morningstar, as of 10/31/24

Source: Morningstar, as of 10/31/24

U.S. large cap equities

- The S&P 500 (-0.9%) ended October slightly negative, bringing year-to-date returns to +21.0%. Early in the month, investors brushed off a hotter-than-expected September inflation print and continued to favor the Magnificent 7. On the last day of October, investors pulled back from certain big tech names, perhaps less impressed by high capital expenditures and low returns from AI investments so far. This left Magnificent 7 performance roughly in line with the broader index return of -0.9%.
- As of November 8th, 91% of S&P 500 companies had reported earnings. In aggregate, reported numbers were above estimates by +4.3%, but below the 5-year earnings growth average of 8.5%.
- S&P sector performance was broadly negative by month end, following five consecutive months of gains. Financials were the top performing sector (+2.7%), boosted by big bank earnings that beat expectations. Healthcare (-4.6%), Materials (-3.5%) and Real Estate (-3.3%) lagged the index.

S&P 500 PRICE INDEX



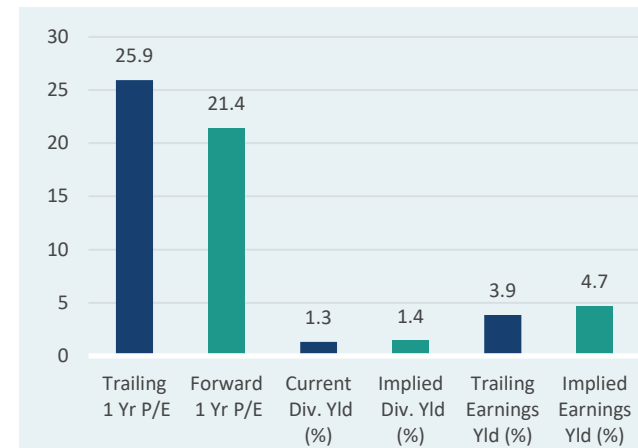
Source: S&P, as of 10/31/24

IMPLIED VOLATILITY (VIX INDEX)



Source: Cboe, based on closing price, as of 10/31/24

S&P 500 VALUATION SNAPSHOT

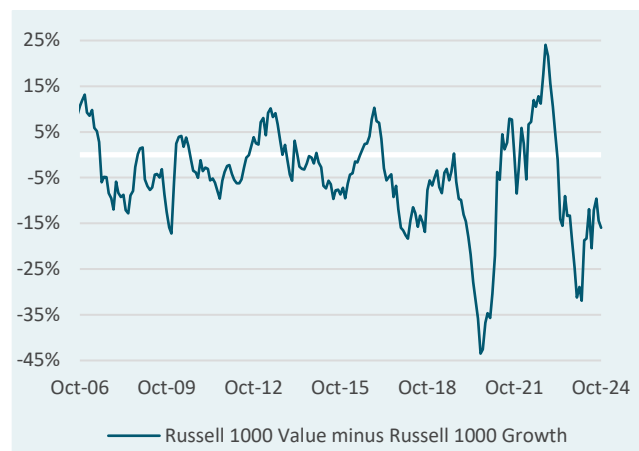


Source: S&P, as of 10/31/24

Domestic equity size and style

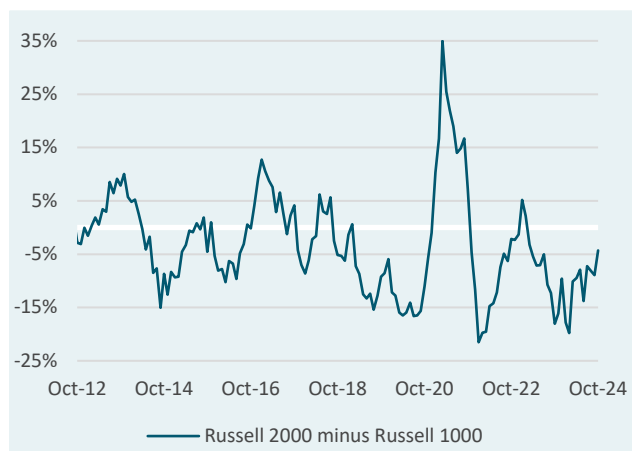
- Large caps (Russell 1000 -0.7%) outperformed small caps (Russell 2000 -1.4%). Year-to-date, large cap indexes (+20.3%) have returned more than double that of small cap indexes (+9.6%), primarily led by trending mega cap names.
- For the second month in a row, large growth indexes (Russell 1000 Growth -0.3%) have outperformed all other styles across *size* and *value*. Year-over-year large growth indexes have returned +43.8%.
- Valuations for large caps fell in October but remained well above long-term averages. The forward price-to-earnings ratio of the Russell 1000 Growth decreased to 28.1x – still 23% above the 10-year average and 46% above the 20-year average. The Russell 1000 Value ended the month 9% above the 10-year average of 15.2x forward earnings and 20% above the 20-year average of 13.8x forward earnings.
- The difference in year-to-date performance between the cap-weighted and equal-weighted S&P 500 index grew to 7.7% in October.

VALUE VS. GROWTH 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE Russell, as of 10/31/24

SMALL VS. LARGE 1-YR ROLLING RELATIVE PERFORMANCE



Source: FTSE Russell, as of 10/31/24

1-YEAR SIZE & STYLE PERFORMANCE

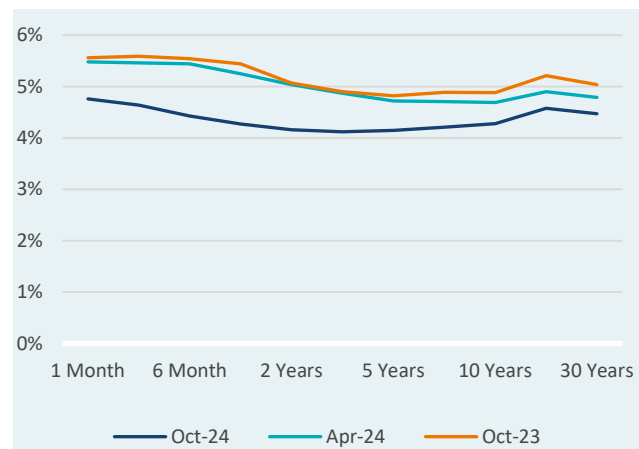
	Value	Core	Growth
Large Cap	31.0%	38.1%	43.8%
Mid Cap	34.0%	35.4%	38.7%
Small Cap	31.8%	34.1%	36.5%

Source: FTSE Russell, as of 10/31/24

Fixed income

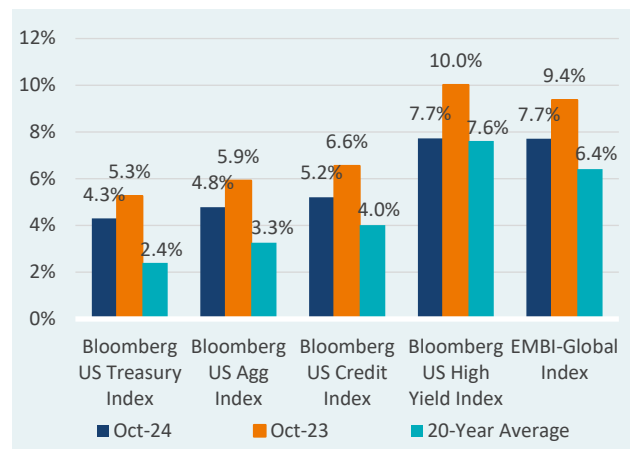
- Yields rose sharply across the curve in October on strong reported third quarter GDP growth, slightly hotter-than-expected inflation, and uncertainty surrounding the outcome of the U.S. election. In a reversal of the past five months, U.S. core bonds fell in value (Bloomberg U.S. Aggregate Index -2.5%).
- Investor expectations for the path of interest rates changed throughout the month. At the beginning of October, markets predicted that the Federal Reserve would cut rates twice by the end of 2024. Later in the month, the market was pricing in one full cut at the November meeting and a rate hold in December.
- As interest rate expectations shifted, the *higher for longer* narrative appeared to gain traction among investors. The 2-year yield climbed +66 bps from September lows to end the month at 4.15%. The 10-year yield bottomed at 3.63% in September but rose to 4.28% by the end of October. The 10/2 curve remains uninverted, with the 10-year yield +12 bps higher than the 2-year yield.
- Option-adjusted spreads and default rates for high yield corporate debt remain low. Spreads fell to 2.88% in October, 8 bps above the past 10-year low. The annual default rate fell 39 bps to 0.55%, well below the 10-year median of 1.89%.

U.S. TREASURY YIELD CURVE



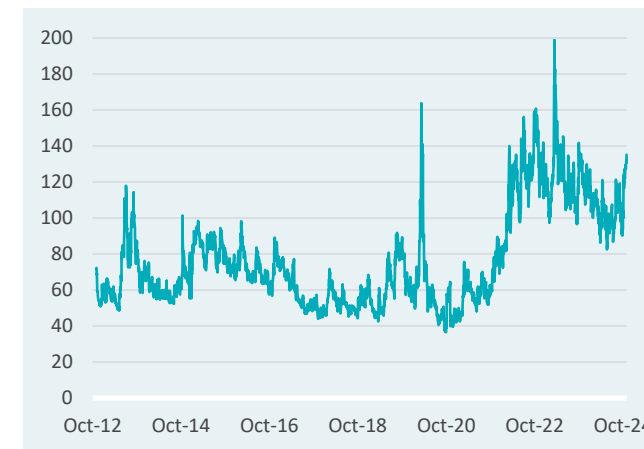
Source: U.S. Treasury, as of 10/31/24

NOMINAL YIELDS



Source: Morningstar, as of 10/31/24

U.S. TREASURY IMPLIED VOL ("MOVE" INDEX)

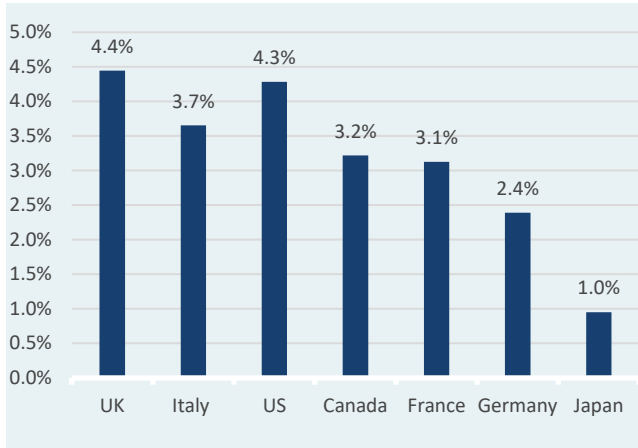


Source: BofA, as of 10/31/24

Global markets

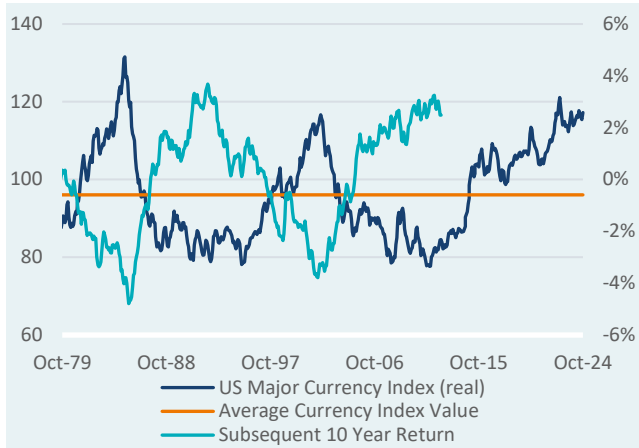
- International equities (MSCI ACWI ex U.S. -4.9%) underperformed the MSCI ACWI by -2.7%. The United Kingdom (-5.5%), Europe (-6.1%), and Latin America (-5.1%) were top detractors of the index.
- MSCI Japan (-3.9%) outperformed the MSCI EAFE index by +1.5%. Markets gained momentum anticipating expansionary policy direction amid the results of a general election. The Bank of Japan chose to hold interest rates at 0.25% at their October meeting. Rate hikes could be on the horizon if economic growth conditions continue to match forecasts.
- At the October meeting, the ECB cut interest rates by 25 bps, in line with market expectations. ECB policy makers expressed confidence in the path to 2% inflation, amidst sluggish economic growth in Germany and France, and an already achieved +1.7% inflation print in September. MSCI Europe ended the month down -6.1%.
- Chinese equities rallied early in the month as the Chinese Communist Party announced government stimulus totaling two trillion yuan (\$284 billion USD). Equity markets fell later in the month as investor skepticism around underlying economic issues made an impact. The MSCI China Index closed the month -5.9%.

GLOBAL SOVEREIGN 10-YEAR YIELDS



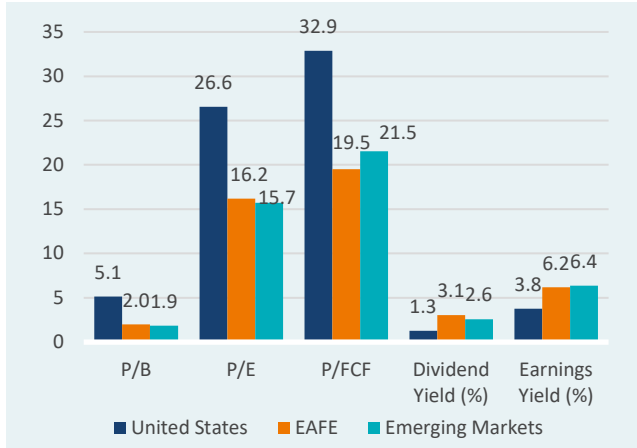
Source: Bloomberg, as of 10/31/24

U.S. DOLLAR MAJOR CURRENCY INDEX



Source: Federal Reserve, as of 10/31/24

MSCI VALUATION METRICS (3-MONTH AVG)

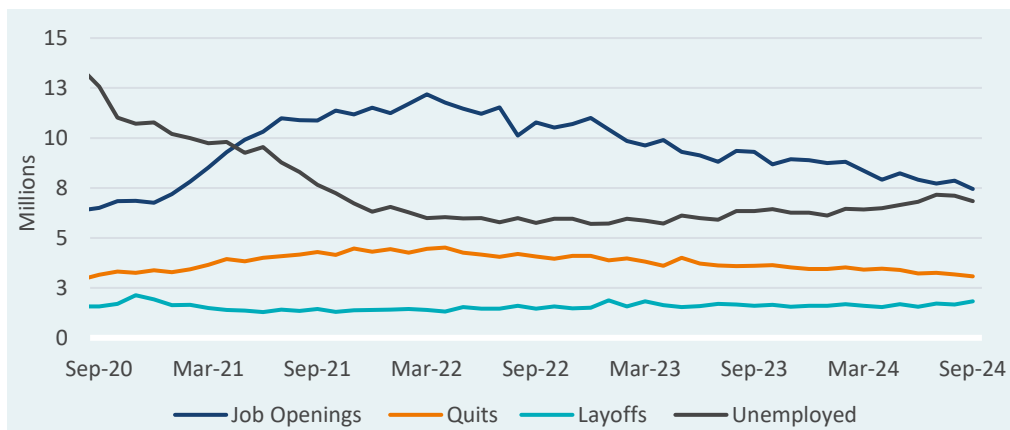


Source: MSCI, as of 10/31/24

U.S Economic Review

Data Print	Period	Prior	Estimate	Actual
Change in Nonfarm Payrolls	Oct	223,000	100,000	12,000
Unemployment Rate	Oct	4.1%	4.1%	4.1%
CPI MoM	Oct	0.2%	0.1%	0.2%
CPI YoY	Oct	2.5%	2.3%	2.4%
CPI Ex Food and Energy MoM	Oct	0.3%	0.2%	0.3%
ISM Manufacturing	Oct	47	48	47
ISM Services Index	Oct	55	54	56
Conf. Board Consumer Confidence	Oct	99	100	109
S&P Global US Manufacturing PMI	Oct	48	48	49
S&P Global US Composite PMI	Oct	54	54	54
S&P Global US Services PMI	Oct	55	55	55
U. of Mich. Sentiment	Oct	69	69	71

LABOR MARKET METRICS



Source: FRED, as of 10/31/24

Labor Market

— October’s jobs report may suggest a slight weakening of the labor economy. Nonfarm payroll jobs increased but came in far below expectations. Much of the sharp decline was driven by extreme weather events and ongoing strike activity. Analysts underscored the temporary distortion these events can have on labor data, pointing to the steady unemployment rate of 4.1% and the upward trends in healthcare and government employment as supportive metrics.

Consumers

— Consumer confidence figures increased to 108.7. The Conference Board reported that all five components of the index had improved. University of Michigan Consumer Sentiment Index was 70.5, the highest reading since April 2024. Survey analysis indicates that consumers welcomed the recent rate cuts and its moderate effect on buying conditions for durable goods, but the concern over high prices remained at the forefront of their minds.

Looking Ahead

— Investors remain very focused on the labor market for signs of notable weakness. Further labor deterioration could lead to a faster pace of interest rate cuts while stabilization and continued economic strength could lead the Fed to slow their path to lower rates.

Appendix

Periodic table of returns

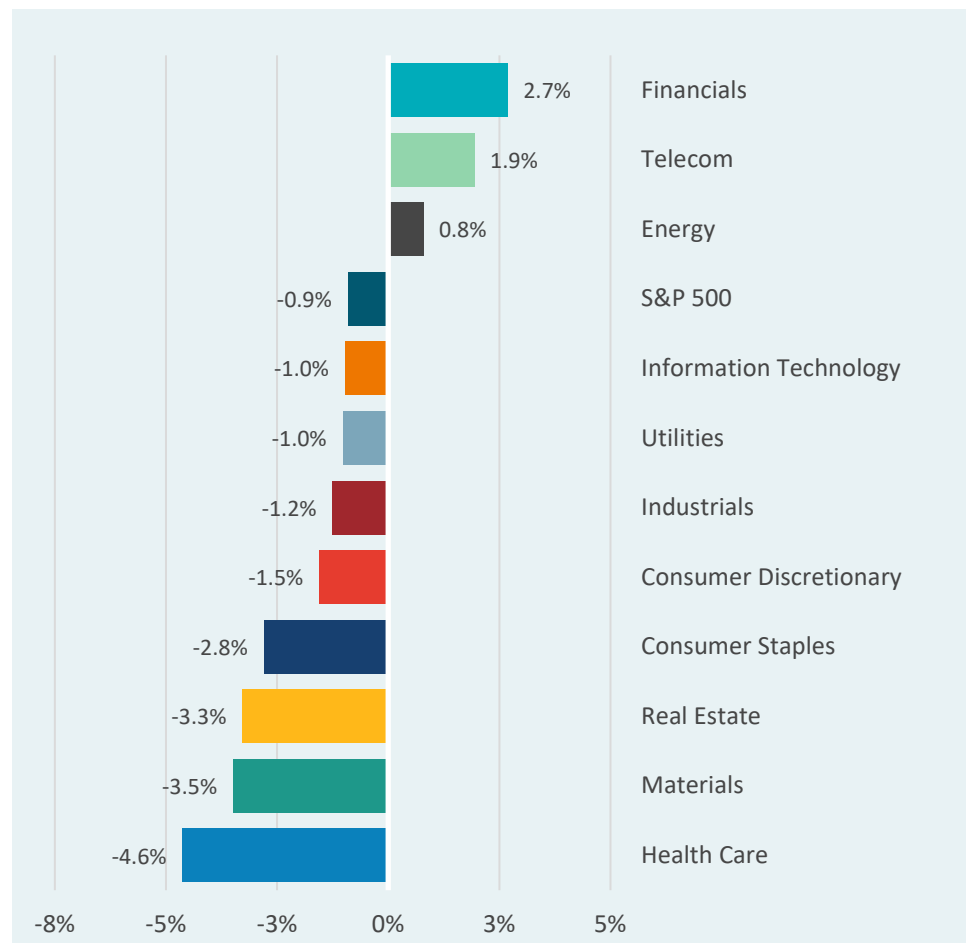
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	YTD	5-Year	10-Year
Large Cap Growth	26.0	34.5	32.6	39.8	5.2	79.0	29.1	14.3	18.6	43.3	13.5	13.3	31.7	37.3	6.7	36.4	38.5	28.3	16.1	42.7	24.1	19.0	16.2
Large Cap Equity	22.2	21.4	26.9	16.2	1.4	37.2	26.9	7.8	18.1	38.8	13.2	5.7	21.3	30.2	1.9	31.4	34.6	27.6	9.4	26.5	20.3	15.0	12.8
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	15.4	10.1	8.9
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	11.7	8.5	8.1
Emerging Markets 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	11.7	8.4	7.9
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	9.6	7.9	7.3
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	9.4	7.0	5.9
Small Cap Value	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	7.5	6.2	5.7
International Equity	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	6.8	6.1	5.3
Hedge Funds of Funds	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	6.4	5.2	3.7
Cash	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	4.4	3.9	3.4
Commodities	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	3.9	3.3	1.7
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	1.9	2.3	1.5
Real Estate	1.4	2.4	2.1	-9.8	-53.2	-16.9	0.1	-18.2	-1.1	-9.5	-17.0	-24.7	0.3	0.9	-14.6	2.1	-3.1	-2.5	-29.1	-7.9	-0.5	-0.2	-0.1



Source Data: Morningstar, Inc., Hedge Fund Research, Inc. (HFR), National Council of Real Estate Investment Fiduciaries (NCREIF). Indices used: Russell 1000, Russell 1000 Value, Russell 1000 Growth, Russell 2000, Russell 2000 Value, Russell 2000 Growth, MSCI EAFE, MSCI EM, Bloomberg US Aggregate, T-Bill 90 Day, Bloomberg Commodity, NCREIF Property, HFRI FOF, MSCI ACWI, Bloomberg Global Bond. NCREIF Property Index performance data as of 9/30/24.

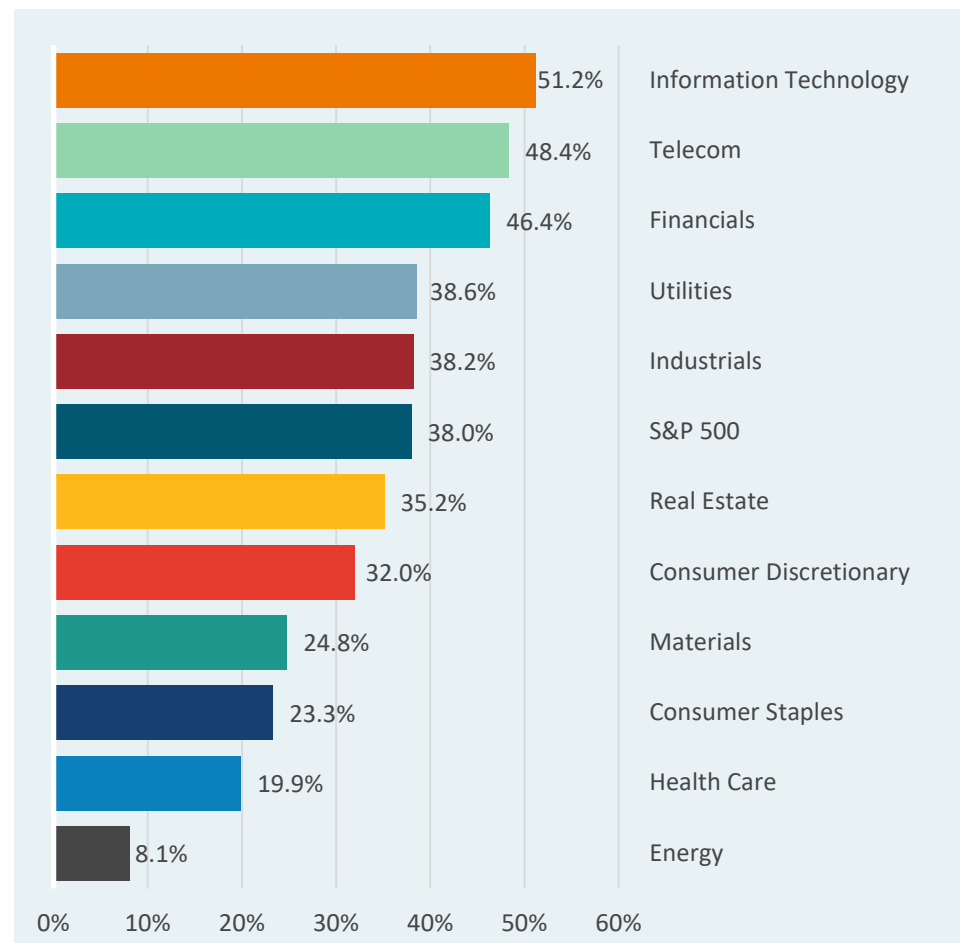
S&P 500 sector returns

QTD



Source: Morningstar, as of 10/31/24

ONE YEAR ENDING OCTOBER



Source: Morningstar, as of 10/31/24

Detailed index returns

DOMESTIC EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Core Index							
S&P 500	(0.9)	(0.9)	21.0	38.0	9.1	15.3	13.0
S&P 500 Equal Weighted	(1.6)	(1.6)	13.3	32.1	5.7	12.2	10.6
DJ Industrial Average	(1.3)	(1.3)	12.5	28.9	7.4	11.4	11.7
Russell Top 200	(0.7)	(0.7)	22.4	38.9	9.7	16.4	13.8
Russell 1000	(0.7)	(0.7)	20.3	38.1	8.1	15.0	12.8
Russell 2000	(1.4)	(1.4)	9.6	34.1	(0.0)	8.5	7.9
Russell 3000	(0.7)	(0.7)	19.7	37.9	7.6	14.6	12.4
Russell Mid Cap	(0.5)	(0.5)	14.0	35.4	3.5	10.9	9.8
Style Index							
Russell 1000 Growth	(0.3)	(0.3)	24.1	43.8	8.8	19.0	16.2
Russell 1000 Value	(1.1)	(1.1)	15.4	31.0	6.8	10.1	8.9
Russell 2000 Growth	(1.3)	(1.3)	11.7	36.5	(2.3)	7.9	8.1
Russell 2000 Value	(1.6)	(1.6)	7.5	31.8	1.9	8.4	7.3

INTERNATIONAL EQUITY

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
MSCI ACWI	(2.2)	(2.2)	16.0	32.8	5.5	11.1	9.1
MSCI ACWI ex US	(4.9)	(4.9)	8.6	24.3	1.6	5.8	4.8
MSCI EAFE	(5.4)	(5.4)	6.8	23.0	2.7	6.2	5.3
MSCI EM	(4.4)	(4.4)	11.7	25.3	(1.4)	3.9	3.4
MSCI EAFE Small Cap	(6.3)	(6.3)	4.1	23.0	(3.0)	4.1	5.7
Style Index							
MSCI EAFE Growth	(6.2)	(6.2)	5.3	23.3	(1.3)	5.6	6.0
MSCI EAFE Value	(4.7)	(4.7)	8.4	22.8	6.6	6.5	4.3
Regional Index							
MSCI UK	(5.5)	(5.5)	9.1	21.6	6.3	6.1	3.8
MSCI Japan	(3.9)	(3.9)	8.0	22.3	2.5	5.3	6.1
MSCI Euro	(6.1)	(6.1)	5.8	23.1	3.0	7.0	5.4
MSCI EM Asia	(4.6)	(4.6)	16.0	28.9	(1.2)	5.3	5.0
MSCI EM Latin American	(5.1)	(5.1)	(17.0)	2.4	7.2	0.1	0.1

FIXED INCOME

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Broad Index							
Bloomberg US TIPS	(1.8)	(1.8)	3.0	8.6	(1.5)	2.2	2.3
Bloomberg US Treasury Bills	0.4	0.4	4.5	5.5	3.6	2.4	1.7
Bloomberg US Agg Bond	(2.5)	(2.5)	1.9	10.5	(2.2)	(0.2)	1.5
Bloomberg US Universal	(2.3)	(2.3)	2.5	11.2	(1.8)	0.2	1.8
Duration							
Bloomberg US Treasury 1-3 Yr	(0.6)	(0.6)	3.5	5.8	1.2	1.3	1.3
Bloomberg US Treasury Long	(5.2)	(5.2)	(2.9)	15.1	(10.5)	(5.1)	0.3
Bloomberg US Treasury	(2.4)	(2.4)	1.4	8.4	(2.5)	(0.7)	1.0
Issuer							
Bloomberg US MBS	(2.8)	(2.8)	1.5	11.4	(2.1)	(0.6)	1.0
Bloomberg US Corp. High Yield	(0.5)	(0.5)	7.4	16.5	3.0	4.5	4.9
Bloomberg US Agency Interm	(0.9)	(0.9)	3.3	6.5	0.3	0.8	1.4
Bloomberg US Credit	(2.4)	(2.4)	2.7	13.1	(2.0)	0.5	2.4

OTHER

	Month	QTD	YTD	1 Year	3 Year	5 Year	10 Year
Index							
Bloomberg Commodity	(1.9)	(1.9)	3.9	(1.2)	2.1	7.0	(0.1)
Wilshire US REIT	(2.5)	(2.5)	12.0	36.5	1.1	4.7	6.4
CS Leveraged Loans	0.8	0.8	7.5	10.5	6.5	5.9	4.9
S&P Global Infrastructure	(1.3)	(1.3)	16.5	33.3	7.8	6.3	6.0
Alerian MLP	(1.2)	(1.2)	18.5	22.4	22.7	13.7	1.9
Regional Index							
JPM EMBI Global Div	(1.7)	(1.7)	6.8	18.2	(1.0)	0.5	2.9
JPM GBI-EM Global Div	(4.6)	(4.6)	0.1	8.8	(0.5)	(0.9)	(0.1)
Hedge Funds							
HFRI Composite	(0.7)	(0.7)	6.5	12.7	3.0	7.0	5.0
HFRI FOF Composite	0.4	0.4	6.4	11.0	1.9	5.2	3.7
Currency (Spot)							
Euro	(2.7)	(2.7)	(1.7)	2.7	(2.1)	(0.5)	(1.4)
Pound Sterling	(4.2)	(4.2)	0.9	5.9	(2.1)	(0.1)	(2.2)
Yen	(6.1)	(6.1)	(7.4)	(0.6)	(9.2)	(6.6)	(3.0)

Source: Morningstar, HFRI, as of 10/31/24

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	2.7	7.4	14.9	12.4
<i>MSCI World Index (PME)</i>	25.2	9.0	12.4	9.1
Global Private Equity Direct Funds ¹	4.9	6.9	15.3	14.0
<i>MSCI World Index (PME)</i>	25.1	9.2	12.4	9.6
U.S. Private Equity Direct Funds ¹	6.2	8.3	17.0	15.3
<i>Russell 3000 Index (PME)</i>	29.2	10.4	14.6	12.5
Europe Private Equity Direct Funds ¹	4.3	8.2	14.8	12.5
<i>MSCI Europe Index (PME)</i>	14.4	7.0	8.6	4.8
Asia Private Equity Direct Funds ^{1,4}	(1.1)	(0.7)	8.2	11.1
<i>MSCI AC Asia Pacific Index (PME)</i>	11.7	(1.9)	4.4	4.9

Private Credit Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Debt ^{2,4}	8.0	12.1	12.2	10.8
<i>Morningstar LSTA U.S. Leveraged Loan 100 Index (PME)</i>	12.1	5.9	5.6	4.8

Private Real Estate Pooled IRRs	1 Year	3 Year	5 Year	10 Year
U.S. All Private Real Estate	(4.0)	8.4	7.6	10.3
<i>FTSE NAREIT Equity REIT Index (PME)</i>	10.8	5.2	5.0	7.6

Private Real Assets Pooled IRRs	1 Year	3 Year	5 Year	10 Year
Global Natural Resources ^{3,4}	6.6	17.9	6.1	3.4
<i>S&P Global Natural Resources Index (PME)</i>	4.6	9.1	8.5	5.7
Global Infrastructure ⁴	8.2	10.3	10.2	10.2
<i>S&P Global Infrastructure Index (PME)</i>	3.5	4.6	4.3	4.6

Source: Pooled IRRs and Public Market Equivalents (PMEs) are both from Refinitiv C/A, as of March 31st, 2024. 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

Past performance is no guarantee of future results. This document is provided for informational purposes only and is directed to institutional clients and eligible institutional counterparties only and is not intended for retail investors. Nothing herein constitutes investment, legal, accounting or tax advice, or a recommendation to buy, sell or hold a security or pursue a particular investment vehicle or any trading strategy. This document may include or imply estimates, outlooks, projections and other “forward-looking statements.” No assurance can be given that future results described or implied by any forward looking information will be achieved. Investing entails risks, including possible loss of principal. Additional information about Verus Advisory, Inc. is available on the SEC’s website at www.adviserinfo.sec.gov.

Verus – also known as Verus Advisory™.

San Luis Obispo County

Investment Performance Review
Period Ending: October 31, 2024



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

SEATTLE 206.622.3700

CHICAGO 312.815.5228

PITTSBURGH 412.784.6678

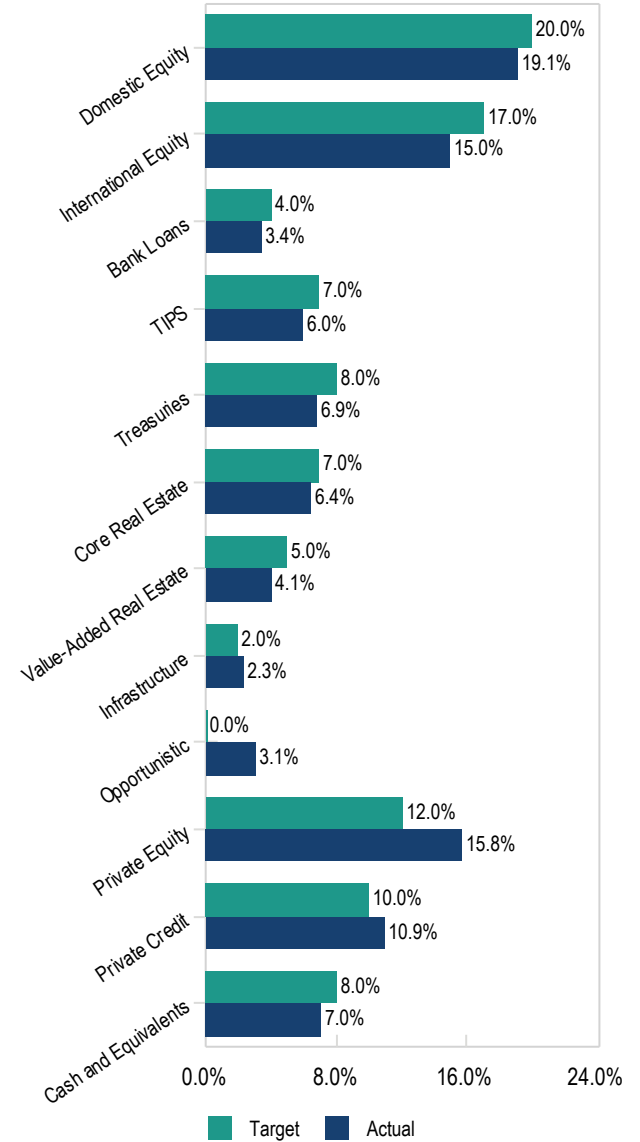
LOS ANGELES 310.297.1777

SAN FRANCISCO 415.362.3484

Total Fund
Executive Summary - Preliminary (Gross of Fees)

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

	Market Value	% of Portfolio	1 Mo	YTD
Total Fund	1,787,533,974	100.0	-0.9	6.8
Interim Policy Index			-1.4	7.9
FFP SAA Index			-1.2	7.9
Total Growth	1,315,949,824	73.6	-1.0	8.4
Custom Growth Benchmark			-1.5	9.7
Total Public Equity	610,045,694	34.1	-2.2	14.3
Public Equity Benchmark			-2.6	14.9
Total Domestic Equity	341,322,761	19.1	-1.1	17.0
Russell 3000 Index			-0.7	19.7
PIMCO RAE US	82,713,233	4.6	-3.1	11.0
S&P 500 Index			-0.9	21.0
Loomis Sayles Large Cap Growth	89,403,598	5.0	0.1	23.5
Russell 1000 Growth Index			-0.3	24.1
Boston Partners Large Cap Value	83,278,747	4.7	0.0	17.1
Russell 1000 Value Index			-1.1	15.4
Atlanta Capital Mgmt	85,927,183	4.8	-1.2	16.4
Russell 2500 Index			-0.9	10.3
Total International Equity	268,722,933	15.0	-3.7	11.1
MSCI AC World ex USA Index			-4.9	9.1
Dodge & Cox Intl Stock	133,772,945	7.5	-4.1	9.3
MSCI AC World ex USA Value			-4.6	9.8
WCM International Growth	134,949,988	7.5	-3.2	12.9
MSCI AC World ex USA Growth			-5.1	8.5
Total Private Equity	281,674,481	15.8	-0.2	6.8
Harbourvest Partners IX Buyout Fund L.P.	8,752,787	0.5	0.0	-2.2
Pathway Private Equity Fund Investors 9 L.P.	82,739,478	4.6	-0.6	9.7
Harbourvest 2018 Global Fund L.P.	20,868,372	1.2	0.0	2.7
Harbourvest SLO Fund Private Equity	148,989,138	8.3	0.0	6.9
Pathway Private Equity Fund Investors 10 L.P.	20,324,706	1.1	-0.5	4.8
Total Private Credit	195,333,044	10.9	0.0	6.3
Sixth Street Partners DCP	93,470,511	5.2	0.0	4.0
Harbourvest SLO Credit Fund	101,862,533	5.7	0.0	8.5

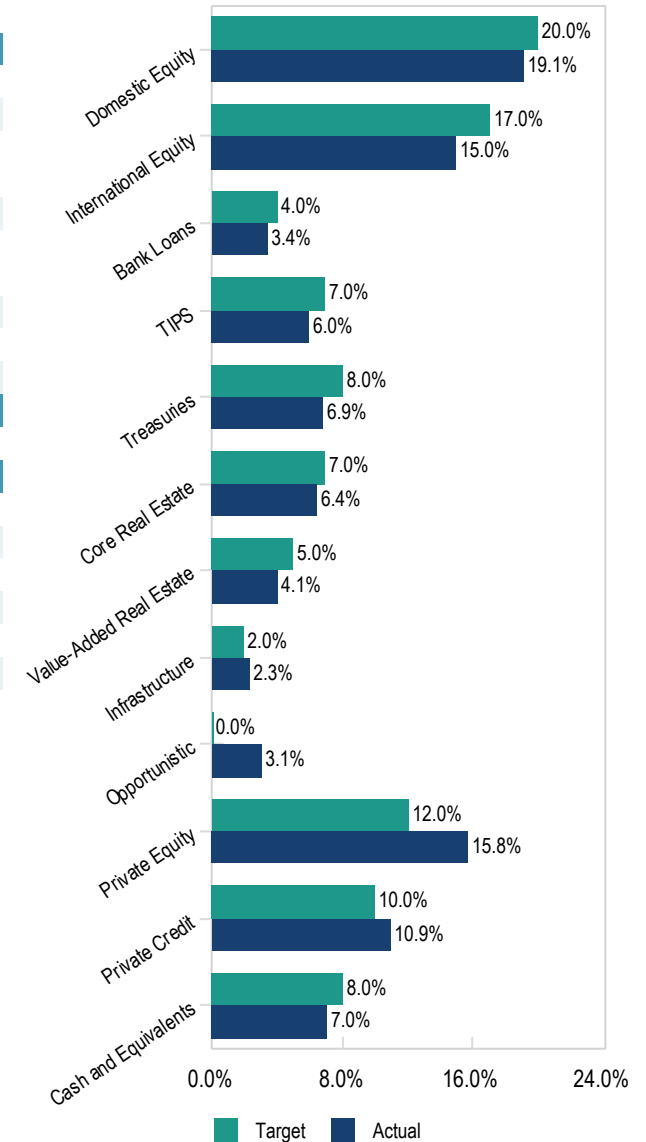


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 4% Morningstar LTSA U.S. Leveraged Loan Index, 8% Bloomberg U.S. Gov't Bond Index, 7% Bloomberg US TIPS 5+ Year, 12% NCREIF Property Index, 2% Dow Jones Brookfield Index, 12% Private Equity Return, 10% Private Credit Return, 4% 90-day T-Bills, 4% Bloomberg U.S. Gov't/Credit 1-3 Yr. All privates are valued as of 6/30/24 except for the HarborVest Infrastructure Fund which is valued 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: October 31, 2024

	Market Value	% of Portfolio	1 Mo	YTD
Total Real Assets	228,896,606	12.8	0.4	-1.8
NCREIF Property Index			0.0	-0.5
JP Morgan Core Real Estate	114,630,793	6.4	0.2	-3.2
NCREIF-ODCE			0.0	-2.6
NCREIF Property Index			0.0	-0.5
ARA American Strategic Value Realty	72,429,708	4.1	0.0	-3.8
NCREIF-ODCE			0.0	-2.6
NCREIF Property Index			0.0	-0.5
Brookfield Infrastructure Fund	31,609,110	1.8	1.9	9.5
Dow Jones Brookfield Global Infrastructure			-1.7	12.0
HarbourVest Infrastructure	10,226,995	0.6		
Total Risk Diversifying	291,093,892	16.3	-1.5	2.9
Total Risk Diversifying Benchmark			-2.8	1.1
Total Domestic Fixed Income	291,093,892	16.3	-1.5	3.3
Blmbg. U.S. Aggregate Index			-2.5	1.9
Pacific Asset Corporate Loan	61,021,399	3.4	0.7	7.5
Morningstar LSTA U.S. Leveraged Loan			0.9	7.5
SSGA U.S. Govt Bond Index	122,765,027	6.9	-2.4	1.5
Blmbg. U.S. Government Index			-2.4	1.4
BlackRock TIPS	107,307,465	6.0	-1.8	3.2
Blmbg. U.S. TIPS Index			-1.8	3.0

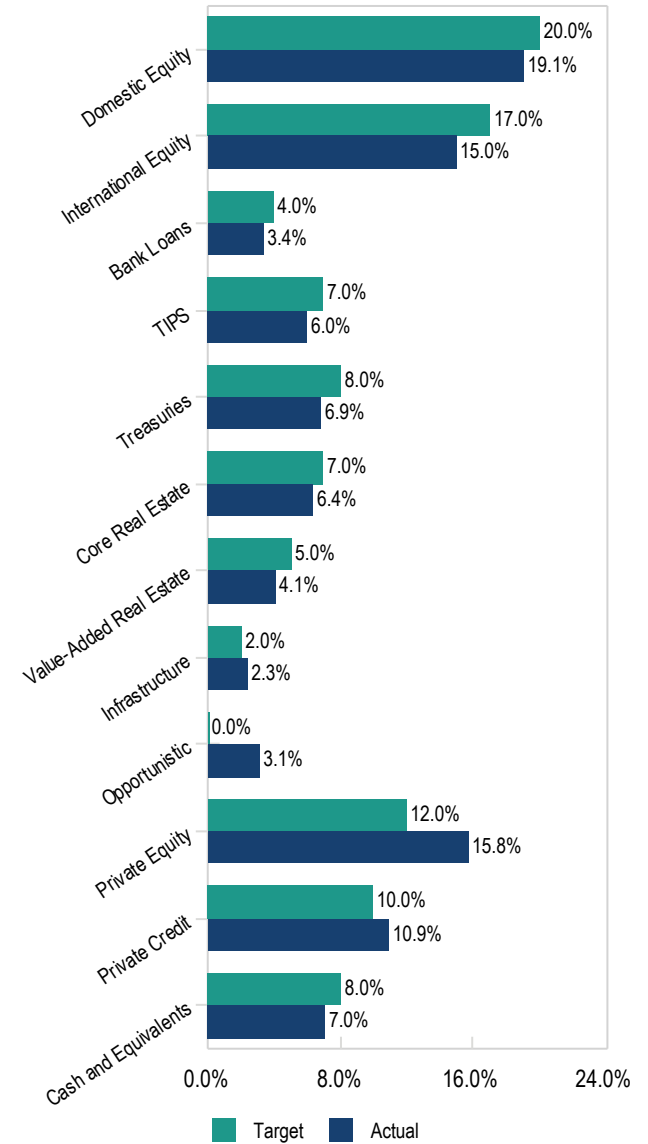


Interim Policy Index as of 1/1/2024: 20% Russell 3000, 17% MSCI ACWI ex-US (Gross), 4% Morningstar LTSA U.S. Leveraged Loan Index, 8% Bloomberg U.S. Gov't Bond Index, 7% Bloomberg US TIPS 5+ Year, 12% NCREIF Property Index, 2% Dow Jones Brookfield Index, 12% Private Equity Return, 10% Private Credit Return, 4% 90-day T-Bills, 4% Bloomberg U.S. Gov't/Credit 1-3 Yr. All privates are valued as of 6/30/24 except for the HarborVest Infrastructure Fund which is valued 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: October 31, 2024

	Market Value	% of Portfolio	1 Mo	YTD
Total Liquidity	125,766,198	7.0	0.2	3.5
90 Day U.S. Treasury Bill			0.4	4.4
Total Cash	125,766,198	7.0	0.2	3.5
90 Day U.S. Treasury Bill			0.4	4.4
PIMCO Short Duration Fund	36,087,128	2.0	-0.5	3.9
Bloomberg U.S. Gov/Credit 1-3 Year Index			-0.6	3.8
Cash Account	38,353,975	2.1	0.7	3.3
90 Day U.S. Treasury Bill			0.4	4.4
Investment Cash	51,325,095	2.9	0.3	3.3
90 Day U.S. Treasury Bill			0.4	4.4
Total Opportunistic	54,724,059	3.1	1.9	7.1
Kohlberg Kravis Roberts & Co. Mezzanine Partners I	2,754,955	0.2	0.0	-16.2
Sixth Street Partners TAO	51,969,104	2.9	2.0	8.8



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. All privates are valued as of 6/30/24 except for the HarborVest Infrastructure Fund which is valued as of 3/31/24. All data is preliminary.